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Viewing cable 08KUALALUMPUR644, MALAYSIA'S POLITICAL CRISIS

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Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables (<u>browse by origin</u> to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this <u>WikiSource</u> article as reference.

Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at theparagraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g.

#08KUA	T	ΔT	TIN	1P	[] R64 4	L
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Reference ID	Created	Released	Classification	Origin
08KUALALUMPUR644	$\frac{1}{98:29} \frac{2008-07-22}{208:29}$	2011-08-30 01:44	CONFIDENTIAL E	mbassy Kuala Lumpur

Appears in these articles:

http://www.malaysia-today.net/mtcolumns/42094-wikileaks-malaysias-political-crisis

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INFO RUEHGP/AMEMBASSY SINGAPORE IMMEDIATE 4554
RHEHNSC/NSC WASHDC IMMEDIATE
RUCNASE/ASEAN MEMBER COLLECTIVE PRIORITY
RUEHAK/AMEMBASSY ANKARA PRIORITY 0123
RUEHBY/AMEMBASSY CANBERRA PRIORITY 2590
RUEHLO/AMEMBASSY LONDON PRIORITY 0454
RUEHKO/AMEMBASSY TOKYO PRIORITY 2547
RUEHWL/AMEMBASSY WELLINGTON PRIORITY 0565
RUEHBS/USEU BRUSSELS PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 04 KUALA LUMPUR 000644
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SINGAPORE - PASS TO ASSISTANT SECRETARY HILL

E.O. 12958: DECL: 07/22/2028
TAGS: PGOV PREL PHUM KDEM KJUS MY
SUBJECT: MALAYSIA'S POLITICAL CRISIS

REF: A. KUALA LUMPUR 609 - UMNO RESISTS REFORM 18. KUALA LUMPUR 160 - ELECTION SHOCK

Classified By: AMBASSADOR JAMES R. KEITH, FOR REASON 1.4 (B AND D).

Summary and Introduction

- 11. (C) The next four weeks will be a telling period in the history of the United Malays National Organization (UMNO) rule in Malaysia. For the first time in its fifty-year dominance, UMNO is faced with a multi-racial opposition alliance that has some credible prospect for forming the next government. To date, it appears the ruling party finds this situation intolerable. UMNO leaders, united behind but also in a sense using Prime Minister (PM) Abdullah, have made it clear that they are willing to blacken Malaysia's reputation to ensure the end to opposition leader Anwar Ibrahim's political challenge. The coming Parliamentary session in the latter half of August is the next likely setting for a showdown, and could precipitate another arrest of Anwar if he is deemed to be doing to well politically between now and then. Conversely, if the ruling party concludes it has him boxed in UMNO may be content to use short-term measures such as judicial restraining orders and the like to prevent him from addressing and attracting a national audience.
- 12. (C) We should continue to speak out publicly in support of the rule of law, taking care not to undermine our principled position by being perceived to be too close to the opposition. If the authorities escalate their rhetoric in anticipation of another arrest of Anwar, we will need to adjust accordingly. If, on the other hand, the ruling party restrains itself from arresting Anwar again in August, we will want to consider our longer-term approach to a period of prolonged uncertainty. For the time being, we should continue to press hard the bilateral initiatives currently underway as these are tied directly to profound U.S. interests and support the development of a more transparent and accountable set of systems in Malaysian government and society. As we begin to develop our public diplomacy programs for the coming fiscal year, we will seek to give pride of place to the rule of law. End Summary and Introduction.

What does UMNO want?

13. (C) The ruling party wants to stay in power indefinitely, and that means Anwar and the multi-racial opposition front he is leading must fail. At least so far, there is scant evidence of a more thoughtful and forward-looking analysis within UMNO. In fact, the ruling party could find some common ground with the opposition if it were willing to countenance gradual development of a two-party system of checks and balances. Instead, the ruling party defines national security primarily as a matter of protecting UMNO's superiority and ensuring that "people power," or a level electoral playing field, cannot become the opposition's means of toppling the ruling party.

How is UMNO getting what it wants?

14. (C) The ruling party is relying primarily on its own party structure and the embedded system of carrots and sticks to keep party membership in line. As in other one-party states, the party is seen opportunistically as a mechanism for personal advancement and enrichment. There is an ideological component, in terms of Malay supremacy, but that is in practice a matter of institutionalized opportunism. In good times UMNO can maintain control by distributing power and money to get what it wants. In bad times, it uses the stick, and for now that means intimidation. The ruling elite maintains control over the security apparatus through party

stalwarts who run the security institutions, mainly the police but also the military. We believe the military will remain loyal to legitimate leadership and is not a likely tool to overturn an elected, royally-approved and Malay-led government from either the ruling or opposition side. The police, on the other hand, follow orders from the ruling party. The "commando-style" arrest of Anwar last week, the roadblocks and security checks throughout the city of Kuala Lumpur, the recent arrest of blogger Raja Petra, intimidation of Sabah politicians, and the authorities' strident rhetoric are all part of a broad message to the Malaysian people that they had better not stand in UMNO's path. In today's Malaysia, one can get along by going along (and of course one can go farther as a Malay rather than a Chinese or Indian), but it is also true that one can be run over. We only have anecdotal evidence for this, but the sad spiral into past patterns may have become the predicate for some middle and upper class Malaysians who have the option of emigrating. Rather than wait to be run over, it is far preferable to get out of the game.

What happened to post-election reforms?

- ¶5. (C) It is deja vu all over again. Just as in Abdullah's first term, characterized by lofty rhetoric in support of political reform but virtually no action, after the March elections Abdullah's prominent reform initiatives seem to have evaporated into nothing (ref A). Despite strong popular support for political reform, there is evidently even stronger opposition to reform within the ruling party. Those who have the most to lose through reform are the same ruling elites, including Abdullah's own circle, who must be persuaded to allow reform to happen. It would take strong leadership to push that sort of initiative through the party structure, perhaps going over the heads of party elites and enlisting the support of the masses. Abdullah doesn't seem to have that kind of leadership in him, even if that were his goal.
- 16. (C) Instead, the ruling party seems intent on sustaining the patina of reform without actually undertaking any step that might genuinely involve systemic change or weakening of executive power. For example, against the backdrop of opposition leader Anwar Ibrahim's arrest, last week the government arrested a number of immigration officials for corruption. These men are to be forgiven for wondering, "why me?" Of all who might be prosecuted, including the most senior leaders or their families, why these relative small fry? Through their sacrifice UMNO can claim action against corruption without actually doing much of anything.

What does Anwar want?

- (C) This question is not as easily answered as one might think. For the short term, he wants to be Prime Minister. First and foremost Anwar is a pragmatist, as evidenced by his ability to yoke together in an opposition front the Islamist party (PAS) and the Chinese. What are his firm guiding principles? What are the limits of his ability to compromise or accommodate? We are not sure. It was clear, for example, that he tolerated PAS's use of America as a political foil during the recent campaign season, and opposition foreign policy announcements on Mideast issues since the election have tended to follow PAS lines. But broadly speaking, he wants political liberalization and he can be expected to be an ardent supporter of the rule of law and a market economy, given his personal history. Malaysian foreign policy might not change as much as we would like to think under and Anwar government, especially in areas relating to Islam and the Middle East in which PAS will have an important say.
- 18. (C) For now, we may have to content ourselves with identifying what Anwar does not want. He does not want to be boxed in and made irrelevant by UMNO, or jailed. Anwar currently speaks in terms of "becoming Prime Minister or going to jail," as an either/or proposition. At age 61, he

does not want to let slip what may be his last, best chance to lead the Malaysian government. He also does not want arch-nemesis DPM Najib Tun Razak to become Prime Minister, as Anwar believes Najib is much more likely than Abdullah to use harsh authoritarian measures to stop him and the Opposition.

What will happen in the months ahead and what should we do?

- 19. (C) UMNO will try to keep Anwar on the defensive and prevent him from winning defections to his opposition front from the ruling party's coalition. The loose coalition of UMNO loyalists who seem to have banded together around Abdullah will likely try to limit the cost of each step they feel they must take to contain and eventually eradicate Anwar's influence. If they can preserve the status quo without putting Anwar in jail on the sodomy charge perhaps they will do so, content to keep it as a ready tactic to deploy against him whenever necessary. If Anwar is unwilling to remain boxed in by that tactic, and history suggests precisely this outcome, the authorities seem entirely prepared to put him in jail for a longer period of time. The government has taken a strong stand against popular street demonstrations, hoping to prevent Anwar from developing the kind of national popular response that will be necessary to create an environment in which he can win converts from the ruling party coalition.
- 110. (C) The skirmishing around these objectives will continue throughout July and August, and we can expect the opposition to seek to up the ante the closer we get to the Parliamentary session in the latter half of August. The initiative rests with Anwar. If he goes quiet, his political hopes fade and his personal freedom is more secure in the coming weeks; over a longer period Anwar sees himself as vulnerable to jailing or government action unless he removes himself from politics. The greater his political success, the greater a threat he is to UMNO, and the more his personal freedom becomes problematic.
- 111. (C) We need to continue to speak with authority from Washington and this Embassy in support of the broad principles underlying the debate in Malaysia. We should avoid undermining our principled position, and the opposition parties themselves, by appearing too close to the personalities involved, especially Anwar. Publicly, our words should continue to revolve around universal values, the criticality of the rule of law to every dimension of our bilateral relationship and Malaysia's political and economic success.
- 12. (C) Privately, we will want to underline the futility of the Malaysian effort to deny the political nature of the crisis before them. Whatever they believe about the "facts" of the sodomy case, at this point the ruling party has no chance of success in conveying to the Malaysian or international audience that this is merely a case of one citizen's charge against another. The authorities themselves betray that fiction on a daily basis in the pages of the domestic press, and barely one in ten Malaysians are buying into the party line a survey tells us. UMNO leaders may fail to grasp the consequences of upping the ante; they hear what we are saying, but do not understand sufficiently well how difficult it will be for them to overcome the shadows they are casting on the country. They no doubt thought they were choosing the more palatable path in using the criminal law, and thus the sodomy charge, rather than detaining Anwar as a matter of national security under the Internal Security Act. But contrary to their intent, many in the international community will take this as escalation. Now the criminal law is laid bare as a political tool, just as useful to the ruling party as the national security law.

What is the long-term horizon for bilateral ties?

113. (C) Most of our relationship already hews tightly to the principle of mutual benefit. Our liaison, law enforcement,

military, and commercial ties are well developed and tied directly to key national interests on both sides. Regardless of the heat of the rhetoric between us, I would expect Malaysia to seek to preserve the core relationships it has with us. With regard to the political dimension of our policy, Malaysia already has a less than inspiring record at the UN and is keen to preserve its options with the likes of the Nonaligned Movement. It may not be possible for Malaysia to become less helpful in international political areas identified with the United States, and it is unlikely to retreat in areas that are primarily multilateral (peacekeeping, for example). The biggest costs to us over the long term if Malaysia continues to undermine its own legal system are precisely in the domestic legal arena.

- 114. (C) Much of the promise of our bilateral ties is rooted in the notion of a transition towards a thriving civil society and robust rule of law in Malaysia. We wish to expand our export control and non-proliferation cooperation with Malaysia, for example. It is neither in our interest nor Malaysia's for this country to become increasingly a place where smugglers can do good business. Thwarting such a development (or rolling it back) requires a sophisticated set of export control laws and robust enforcement by a strong and secure government, not one struggling to justify itself to its citizens. Despite the local paranoia about U.S. intervention in internal affairs, our influence is actually being brought to bear to support and promote precisely those objectives that most Malaysians want for their own benefit.
- 115. (C) If the authorities are able to get through the next several months without doing fatal damage to the rule of law in Malaysia, I hope the public diplomacy dimension of our bilateral ties will take on a decidedly more legal and judicial cast. We should push ahead with our FTA talks if possible because that serves both our own economic interests as well as the broader goal of establishing more transparent and accountable systems in this country. In addition, to try to bring public focus to the centrality of the rule of law in our ties, we might want to organize visits in the short and medium term by a Supreme Court Justice, the Attorney General, and representatives of the American Bar Association. We will also review our international visitor program and other people-to-people exchanges in the coming fiscal year to ensure a central focus on the rule of law. My speeches and those of my staff will put the rule of law at the center.
- 116. (C) We will continue to monitor closely the situation for signs that more robust policy responses are needed. In the meantime, we should continue to exploit every opportunity for authoritative bilateral exchange to ensure we have done all we can to open Malaysian leaders' eyes to the international costs of efforts that diminish the rule of law.

KEITH